



DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-909]

Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Republic of Korea: Final Affirmative Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) determines that seamless carbon and alloy steel standard, line, and pressure pipe (seamless pipe) from the Republic of Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation is July 1, 2019, through June 30, 2020.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Joshua DeMoss, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3362.

SUPPLEMENTARY INFORMATION:

Background

On February 10, 2021, Commerce published the *Preliminary Determination* of sales at LTFV of seamless pipe from Korea, in which we also postponed the final determination to June 25, 2021.¹ On March 25, 2021, Commerce published its *Post-Preliminary Determination* with respect to the particular market situation analysis.² We invited interested parties to comment on the *Preliminary Determination* and the *Post-Preliminary Determination*. The mandatory

¹ See *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Republic of Korea: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 86 FR 8887 (February 10, 2021) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, “Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Republic of Korea: Post-Preliminary Analysis of Particular Market Situation Allegations,” dated March 25, 2021 (*Post-Preliminary Determination*).

respondent in this investigation is ILJIN Steel Corporation (ILJIN). For a complete description of the events that followed the *Preliminary Determination*, see the Issues and Decision Memorandum.³ The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Scope of the Investigation

The product covered by this investigation is seamless pipe from Korea. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

We did not receive comments from interested parties on the Preliminary Scope Decision Memorandum.⁴ As discussed in the Preliminary Scope Decision Memorandum, Commerce modified the scope language as it appeared in the *Initiation Notice* to clarify certain exclusions. See the scope in Appendix I to this notice.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum. A list of topics included in the Issues and Decision Memorandum is included as Appendix II to this notice.

Verification

Commerce was unable to conduct on-site verification of the information relied upon in making its final determination in this investigation. However, we took additional steps in lieu of an on-site verification to verify the information relied upon in making this final determination, in

³ See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁴ See Memorandum, "Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, the Republic of Korea, the Russian Federation, and Ukraine: Preliminary Scope Decision Memorandum," dated January 13, 2021 (Preliminary Scope Decision Memorandum).

accordance with section 782(i) of the Tariff Act of 1930, as amended (the Act).⁵

Changes Since the Preliminary Determination

Based on our analysis of the comments received, we made certain changes to the margin calculations for ILJIN. We have also revised the all-others rate. For a complete discussion of these changes, *see* the Issues and Decision Memorandum.

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated all-others rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and margins determined entirely under section 776 of the Act.

Commerce calculated an individual estimated weighted-average dumping margin for ILJIN, the only individually examined exporter/producer in this investigation. Because the only individually calculated dumping margin is not zero, *de minimis*, or based entirely on facts otherwise available, the estimated weighted-average dumping margin calculated for ILJIN is the margin assigned to all other producers and exporters, pursuant to section 735(c)(5)(A) of the Act.

Final Determination

The final estimated weighted-average dumping margins are as follows:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)	Cash deposit rate (adjusted for subsidy offset) (percent)⁶
ILJIN Steel Corporation	4.48	4.44
All Others	4.48	4.44

⁵ *See* Commerce’s Letter, Questionnaire In-Lieu-of-Onsite-Verification, dated April 9, 2021; *see also* ILJIN’s Letter, “Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Republic of Korea: In Lieu of On-Site Verification Questionnaire Response,” dated April 19, 2021.

⁶ In the companion countervailing duty (CVD) investigation, Commerce calculated a 0.04 percent export subsidy rate for ILJIN Steel Corporation. *See* unpublished *Federal Register* notice titled “Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Republic of Korea: Final Affirmative Countervailing Duty Determination,” dated concurrently with this notice, and accompanying Issues and Decision Memorandum.

Disclosure

Commerce intends to disclose to interested parties the calculations performed for this final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will direct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of seamless pipe from Korea, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after February 10, 2021, the date of publication of the affirmative *Preliminary Determination* in the *Federal Register*.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), we will instruct CBP to require a cash deposit for such entries of merchandise equal to the following: (1) the cash deposit rate for the respondent listed in the table above will be equal to the respondent-specific estimated dumping margin listed for the respondent in the table; (2) if the exporter is not identified in the table above but the producer is, then the cash deposit rate will be equal to the respondent-specific estimated dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated dumping margin listed in the table above. These suspension-of-liquidation instructions will remain in effect until further notice.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of export subsidies determined in a companion CVD proceeding when CVD provisional measures are in effect. Accordingly, where Commerce makes an affirmative determination for export subsidies, Commerce offsets the calculated estimated weighted-average dumping margin by the appropriate rate(s). In this case, we have found export subsidies for certain respondents. However, suspension of liquidation for

provisional measures in the companion CVD case has been discontinued; therefore, we are not instructing CBP to collect cash deposits based upon the estimated weighted-average dumping margin adjusted for export subsidies at this time.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determinations as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation of seamless pipe from Korea no later than 45 days after our final determination. If the ITC determines that such injury does not exist, these proceedings will be terminated, and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Continuation of Suspension of Liquidation" section.

Notification Regarding Administrative Protective Orders

This notice serves as a final reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: June 25, 2021.

James Maeder,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

Appendix I

Scope of the Investigation

The merchandise covered by the scope of this investigation is seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in nominal outside diameter, regardless of wall-thickness, manufacturing process (*e.g.*, hot-finished or cold-drawn), end finish (*e.g.*, plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish (*e.g.*, bare, lacquered or coated). Redraw hollows are any unfinished carbon or alloy steel (other than stainless steel) pipe or “hollow profiles” suitable for cold finishing operations, such as cold drawing, to meet the American Society for Testing and Materials (ASTM) or American Petroleum Institute (API) specifications referenced below, or comparable specifications. Specifically included within the scope are seamless carbon and alloy steel (other than stainless steel) standard, line, and pressure pipes produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, ASTM A-1024, and the API 51 specifications, or comparable specifications, and meeting the physical parameters described above, regardless of application, with the exception of the exclusions discussed below.

Specifically excluded from the scope of the investigation are: (1) All pipes meeting aerospace, hydraulic, and bearing tubing specifications, including pipe produced to the ASTM A-822 standard; (2) all pipes meeting the chemical requirements of ASTM A-335, whether finished or unfinished; and (3) unattached couplings. Also excluded from the scope of the investigation are (1) all mechanical, boiler, condenser and heat exchange tubing, except when such products conform to the dimensional requirements, *i.e.*, outside diameter and wall thickness, of ASTM A53, ASTM A-106 or API 51 specifications. Also excluded from the scope of the investigation are: (1) oil country tubular goods consisting of drill pipe, casing, tubing and coupling stock; (2) all pipes meeting the chemical requirements of ASTM A-335 regardless of their conformity to the dimensional requirements of ASTM A-53, ASTM A-106 or API 5L; and (3) the exclusion for ASTM A335 applies to pipes meeting the comparable specifications GOST 550-75.

Subject seamless standard, line, and pressure pipe are normally entered under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070. The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Adjustment for Countervailable Export Subsidies
- V. Changes Since the Preliminary Determination
- VI. Discussion of the Issues
 - Comment 1: Whether Commerce Should Continue to Adjust U.S. Commission Expenses
 - Comment 2: Whether Commerce Should Revise the Methodology for Warranty Expenses in the U.S. Price Calculations
 - Comment 3: Whether Commerce's Adjustment to ILJIN's Costs of Defective Merchandise is Warranted
 - Comment 4: Whether Commerce Should Continue to Adjust ILJIN's G&A Expenses
- VII. Recommendation